



Westminster Savings Credit Union

Submission to the
Department of Finance
Second Stage Consultation

on the Federal Financial Sector Review

September 21, 2017

Westminster Savings Credit Union (Westminster Savings) welcomes the federal government's recent decision to review *Bank Act* provisions around the use of the terms *bank*, *banker* and *banking* by credit unions as part of its ongoing review of the federal financial services framework.

At \$3.8 billion in assets under management, more than 56,000 members and 400 employees, Westminster Savings is among the largest credit unions in Canada. Known for our member and community focus, people oriented culture, and sound financial and operating practices, Westminster Savings provides a full range of retail, commercial, leasing and wealth management solutions to meet our customers' evolving needs.

Served by our over 400 team members at Westminster Savings, our members are comprised of empty nesters aged 65+, busy suburban families and growing small businesses each of whom are an integral part of the economic fabric of the Lower Mainland of British Columbia, and critical to the growth and vibrancy of our local economy.

With a focus of helping our members achieve their most important goals, and through the professional delivery of our banking products and services:

- We are trusted to help manage the \$750M in wealth and retirement portfolios for over 7,400 members, on top of almost \$2B in other savings and deposits.
- We help with the dream of home ownership by providing mortgage financing to over 4,800 members.
- We support over 7,500 business customers through our commercial and leasing divisions, helping small businesses achieve their goals and support their thousands of employees.

As a credit union, we pride ourselves on the quality of service and support we are able to provide to our members. We believe our unique brand of service is not replicated at other financial institutions, a sentiment echoed by our customers.

"Overall, choosing to become a member at Westminster Savings was one of the smartest things I've done in my life. When it came to buying real estate on my own, the support, assistance and encouragement I received was reassuring and comforting. Westminster Savings is like an extended family to me."
Westminster Savings member

"Westminster Savings is very different from other financial institutions that we dealt with. Westminster Savings is true to its philosophy to help small budding businesses like ours get a foothold in the business community. Westminster Savings handled our business loan application professionally unlike other financial institutions we applied to."
Westminster Savings commercial member

Westminster Savings makes investments in our local communities a priority by giving back over \$600,000 into our communities annually, over 3% of after tax profits. Through our community investment programs we are providing access to arts and active-living opportunities for over 6,500 disadvantaged individuals every year, and in turn enriching lives and making our communities healthier and more inclusive places to live.

On June 30, 2017, the federal bank regulator, the Office of the Superintendent of Financial Institutions (OSFI), issued an advisory that sets out how OSFI would be interpreting and enforcing the *Bank Act* restrictions on the use of the words *bank*, *banker* and *banking*.

At Westminster Savings, we do not use the term *bank* to describe our operating model in any way, nor do we use the term *banker* to describe any of our employees or positions. We do however use the verb *banking* in a number of ways. For example:

- We commonly use *banking* to describe the various services we provide.
- The term *Personal Banking* is used to describe the financial solutions we provide to individuals and families.
- The term *Business Banking* is used to describe the financial solutions we provide to businesses and not-for-profits.
- We also use *banking* to describe the channels by which a customer could do business with us. For example, we describe our secure, online portal for transactional support and service as *online banking* and we describe our secure, mobile transactional and service app as *mobile banking*.

Westminster Savings remains concerned about the impact of the restrictions on use of the terms *bank*, *banker* and *banking*, and look forward to the matter being resolved. We believe that there are three distinct impacts to our credit union, our membership, and our community as a whole:

- Not having the ability to reference our services using standard and historically accepted terms would cause significant confusion with not only a large number of our existing members, but potential new members to whom we market our services and capabilities, and thus impact our ability to grow. Our long-term sustainability is highly dependent on being able to compete fairly in the marketplace.
- By having to comply with the terms of the OSFI June 30 advisory, Westminster Savings would be forced to divert scarce resources - time and money - from serving our members and implementing programs and products to serve their needs. Vital capital would be put into enacting the changes and would not be available for important member needs for lending and business improvement.
- This decision will directly impact our ability to invest in our community initiatives and programs, and our partners would be directly impacted. The resources required to comply would mean that critical support for community initiatives would be supplanted, impacting many thousands of families.

In summary, we believe that the new interpretation and measures being contemplated by the OSFI advisory would not be in the best interest of Canadians or the marketplace. We believe that the responsible use of the terms *bank*, *banker* and *banking* over the past 70 years has allowed Westminster Savings to compete and thrive in our local market, and in turn allowed us to serve our members in achieving their most important goals and building healthy communities.

We recommend the Department of Finance proposes changes to the Bank Act to allow credit unions, as prudentially regulated deposit-taking institutions, to use the terms “bank”, “banker” and “banking” to describe their activities and services.

Thank you for considering this submission. We welcome the opportunity to work with you.

For more information, please contact:

Gavin Toy
President and CEO
1900 - 13450 102 Avenue
Surrey, BC V3T 5Y1
604-517-0100
gtoy@wscu.com